

# SERVICE QUALITY

## Engineering and Management Services Department

The Engineering and Management Services Department (EMSD, staff or Department) has technical responsibilities in two separate areas.

The Management Analysts' mission is to develop, enhance and support utility management to provide quality services to customers and effective cost control of critical resources such as capital, technology and human resources.

The engineering staff of EMSD conducts depreciation studies and provides specialized engineering analysis and assistance for all types of regulated utilities.

## Major Projects During 2004

Management Analysts participated in a variety of cases and audit projects during 2004. Specifically, the staff completed a customer service and gas supply review of Laclede Gas Company. Laclede serves approximately 636,000 customers in Missouri. During the course of its review, the EMSD traveled to Company headquarters in St. Louis and made on-site visits to the Company's St. Charles and Forest Park offices.

In addition, PSC staff also viewed the Company's underground storage facility near Florissant as well as the Company's meter shop in south St. Louis. The staff performed on-site observations at the Company's call center located at Company headquarters in St. Louis, as well as the call center in Jefferson City, and conducted field observations of the Company's meter reading and disconnection processes.

Staff's review resulted in approximately 60 recommendations made to Laclede Gas Company management for improvement.

Management Analysts also participated in Aquila's financing case (EF-2003-0465), to examine the Company's quality of service in the context of Aquila's request to pledge Missouri-regulated utility assets in exchange for financing and in Aquila's subsequent rate cases. In all cases, staff documented concerns regarding Aquila's provision of service to its customers

and requested that the Company be ordered to report key monthly customer service data to the PSC Staff and the Office of the Public Counsel so that specific service quality areas could be monitored. Aquila ultimately agreed to report monthly quality of service data.

The PSC Staff made a similar reporting request of AmerenUE in the Company's gas rate case (GR-2003-0517), in which EMSD staff participated. In that proceeding, AmerenUE agreed to provide quality of service data to the PSC Staff and the Office of the Public Counsel and began providing such data in the spring of 2004.

During this year, EMSD staff also participated in a rate case filed by Missouri Gas Energy (GR-2004-0209). In this proceeding, staff rebutted the Company's request for a rate of return adjustment to reward it for its customer service and assertions of efficient management. EMSD staff also participated in Missouri-American Water Company's rate case (WR-2003-0500). In this case, EMSD staff filed testimony regarding the Company's service quality and requested the addition of various quality of service information by the Company. Missouri-American agreed to staff's request in a stipulation and agreement, the terms of which were approved by the Commission.

EMSD staff also performed quality of service work in the context of The Empire District Electric Company's rate case (ER-2004-0570).

EMSD staff participated in a multi-disciplinary team that investigated the transfer of approximately 400 employees from Kansas City Power and Light Company (KCPL) to Great Plains Energy Service Company, a subsidiary of Great Plains Energy. A report detailing staff's analysis and accompanying recommendations was provided to KCPL.

Staff also participated in a review of AmerenUE's service restoration efforts after severe thunderstorms passed through central and east central Missouri on July 5, 2004. The final report was presented to AmerenUE and included recommendations for improvement, including a recommendation regarding the Company's customer callback system.

Staff has continued to receive and review status reports from a variety of companies as a result of merger and rate cases. These reports contain information regarding customer service at the companies including data on call center indicators such as average speed of answer (ASA) and abandoned call rate (ACR).

The Department participated in reviews of numerous small water and sewer companies to assist them in providing sound customer service.

The audit program is designed to assist such companies in a variety of areas including customer billing, credit and collections, complaint handling and others.

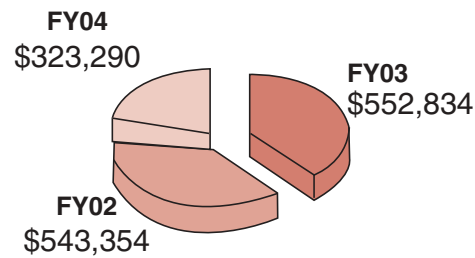
During fiscal 2004, the engineering staff performed depreciation analysis of numerous small and large companies and conducted comprehensive depreciation studies in the context of rate cases filed by Missouri-American Water Company, AmerenUE, Aquila, Inc., Missouri Gas Energy and The Empire District Electric Company.

Engineering staff also performed depreciation analysis and filed testimony in the Osage Water Company and Fidelity Telephone cases. As part of their conduct of comprehensive depreciation studies, engineering staff performed company inspections and participated in plant tours to develop their knowledge and understanding of each company's tangible plant. This knowledge of company plant, coupled with statistical analysis of plant mortality data, serves as the basis of staff's work in each rate case and the support for staff's depreciation rates.

The purpose of depreciation in a regulatory environment is to recover the cost of capital assets from customers and allocate the costs over the useful life of the assets.

The engineers' objective is to propose depreciation rates that are fair and appropriate for each company and the company's customers. Depreciation comprises a significant component of the cost used to develop utility rates paid by consumers. Engineering staff also facilitated a workgroup comprised of utilities, the Office of the Public Counsel, intervenors and staff, designed to increase efficiencies within the large rate case process. A final report resulted from this workgroup with recommendations made for improvement.

### Consumer Savings



### Consumer Services Department

The Consumer Services Department serves as the central repository for consumer complaints and inquiries received by the Commission.

Consumer complaints may be filed with the Commission by mail, facsimile, e-mail or the Commission's consumer toll-free hotline (**1-800-392-4211**.) Complaints may also be submitted on-line through the Commission's website. Consumer Services specialists receive, investigate and respond to billing and service issues involving gas, electric, water, sewer, and telecommunications companies regulated by the Commission. The investigation of complaints may involve consulting with the Commission's technical staff, utility representatives and researching utility tariffs as well as the Commission rules and regulations. Through the handling of consumer complaints, specialists work to enforce Commission rules and utility tariffs.

Specialists also interact with other PSC Staff regarding consumer service issues in proposed rulemakings on the state and federal level. This interaction also involves participating in customer service focused reviews of utility operations and participating in formal cases before the Commission regarding issues that impact customer services.

Consumer Service specialists also refer consumers to other agencies that may provide the needed assistance.